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## A Look at Clinton's Tax and Anti-Business Proposals

# The 'Era of Big Government': *It's Ba-aack!*

In his 1996 State of the Union address, Bill Clinton declared the "era of big government" to be over. But last night, with characteristic shamelessness, he forgot his earlier pronouncement and outlined a host of new programs that will easily approach *half a trillion dollars* in new spending. With this renewed era of bigger government, Bill Clinton threatens to close his term as "the last headache of the 20<sup>th</sup> century," not as some nonexistent bridge to the 21<sup>st</sup>.

Here's a quick look at some of the Clinton proposals in the areas of tax policy and proposals that impact on business — large and small — that are either **Big Spending, Big Government, or Co-opted from the GOP**:

### Hey, Big Spender!

- ▶ This President proposes \$479 billion in new spending, \$367 billion of which would be in non-defense accounts.
- ▶ He did not even bother to itemize some \$400 billion in new big government spending.
- ▶ While Clinton recited an exhaustive list of high-dollar promises, notable elements were missing, particularly tax cuts. Bottom line: this president made dozens and dozens of promises, but offered no significant tax cut measure despite his White House's projected \$4.35 trillion surplus (over 15 years).
- We well might wonder why Clinton kept calling his spending plan a "balanced budget," despite projections of a \$4.35 trillion surplus. Perhaps that means he hopes to spend it . . . all. Where is all this money going?
- Look for backdoor tax hikes: last year Clinton proposed \$100 billion in new net taxes and government fees. This year the Administration admitted plans to again levy a *de facto* tobacco tax via litigation (to say nothing of an actual excise tax increase proposed on top of that), but hinted not about what will be billions of dollars in other new tax increases.

## **Big Brother, Big-Bad Government**

- ▶ President Clinton proposes several items that will subject businesses to new mandates and lawsuits. These hidden taxes will reduce Americans' income beyond all the other taxes they must pay for the President's new spending programs.
- ▶ President Clinton wants to increase the cost of job creation by increasing the minimum wage.
- ▶ Businesses will see increased regulation and compliance costs from more global warming mandates.
- ▶ Businesses will have to endure ever more costly regulations and lawsuits as a result of government oversight of existing mandates, such as "equal pay."
- ▶ The President wants to extend the Family and Medical Leave Act to hundreds of thousands more businesses. Many small businesses with marginal operating costs and marginal employees will be hard hit by this hidden tax.
- ▶ Businesses would be impacted by lawsuits and regulations arising from anti-managed care legislation championed by President Clinton's Democrat friend, Ted Kennedy. Senator Kennedy's proposal allows lawsuits against employers providing health coverage.

## **Thanks for Stealing Our Ideas**

- ▶ We are pleased to announce that President Clinton has accepted the wisdom of several Republican proposals. For example, tax breaks for long-term care were initially proposed by House Republicans in the Contract With America in 1994 and by Senator Grassley in the Senate. Likewise, it was Senate Republicans who insisted on extending the child-care tax credit to stay-at-home moms. President Clinton was all too happy to jump on that bandwagon.
- ▶ Republicans can be proud their initiatives are so popular that President Clinton is trying to claim credit for them. In fact, we look forward to seeing President Clinton try to steal several other Republican proposals.

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